

6350 School Facilities Aid Program

The School Facilities Aid Program provides financing to school districts for K-12 school facility-related activities such as school construction, deferred maintenance, and emergency repairs.

The Leroy F. Greene School Facilities Act of 1998, Chapter 407, Statutes of 1998 (SB 50), created the School Facility Program (SFP) to streamline school construction funding. The SFP provides grants from State General Obligation Bonds to school districts for new construction and modernization projects. Proposition 1D, approved in November 2006, provides \$500 million for the Career Technical Education Facilities Program, to create and equip facilities so that students can acquire high-demand skills necessary for the technical careers of today and tomorrow; and the High Performance Incentive Grant Program which promotes the use of high performance attributes in new construction and modernization projects. High performance attributes include using designs and materials that promote energy and water efficiency, maximize the use of natural lights, improve indoor air quality, and utilize recycled materials. The SFP also contains provisions for Charter Schools, Overcrowding Relief, Critically Overcrowded Schools, Joint-Use, and Seismic Mitigation.

The State School Deferred Maintenance Program, established by Chapter 282, Statutes of 1979 (AB 8), provides state matching funds, on a dollar-for-dollar basis, to assist school districts with expenditures for major repair or replacement of school building components, such as roofing, plumbing, heating, air conditioning, electrical systems, interior/exterior painting, and floor systems. The program also provides funds for critical hardship projects where the work must be completed within one year.

As a part of the Williams vs. State of California settlement, Chapter 899, Statutes of 2004 (SB 6) established the Emergency Repair Program (ERP). In order to help meet emergency repair costs, the School Facilities Emergency Repair Account is funded from the Proposition 98 Reversion Account at a minimum of \$100 million per year until a total of \$800 million has been disbursed for the purpose of addressing emergency facilities needs at school sites in deciles 1 through 3 based on the 2006 Academic Performance Index. As a continuation of the provisions of the settlement, Chapter 704, Statutes of 2006 (AB 607) adopts and encourages participation in the ERP by providing grant funding as well as funding to reimburse applicants for emergency repairs, and provides for a permanent state standard of good repair.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2007-08	2008-09	2009-10	2007-08*	2008-09*	2009-10*
10 School Facilities Aid Program	-	-	-	\$1,868,080	\$3,970,648	\$502,497
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	-	-	-	\$1,868,080	\$3,970,648	\$502,497
FUNDING				2007-08*	2008-09*	2009-10*
0001 General Fund				-\$1,849	-\$1,568	-\$876
0001 General Fund, Proposition 98				1,849	1,568	876
0119 1998 State School Facilities Fund				-1,694	31,234	-
0739 State School Building Aid Fund				1,528	2,182	917
0961 State School Deferred Maintenance Fund				2,457	2,431	2,432
3082 School Facilities Emergency Repair Account				221,290	-	-
6036 2002 State School Facilities Fund				298,094	1,977,148	-
6044 2004 State School Facilities Fund				256,405	1,439,631	-
6057 2006 State School Facilities Fund				1,090,000	518,022	499,148
TOTALS, EXPENDITURES, ALL FUNDS				\$1,868,080	\$3,970,648	\$502,497

MAJOR PROGRAM CHANGES

- The 2009-10 Governor's Budget projects major changes in proposed expenditures for all three major current bond funds. For 2008-09, the Governor's Budget projects an increase of more than \$1.3 billion in expenditures from the 2002 State School Facilities Fund and \$830.3 million from the 2004 State School Facilities Fund, which will fully exhaust both of those bond funds. Additionally, the Governor's Budget projects substantially reduced expenditures from the 2006 State School Facilities Fund of more than \$2.6 billion for both 2008-09 and 2009-10, due in part to the projected increases in expenditures from the 2002 and 2004 bond funds. Collectively, all three bonds will provide more than \$3.9 billion in funding for 2008-09 and \$518 million for 2009-10.

DETAILED BUDGET ADJUSTMENTS

	2008-09*			2009-10*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
Workload Budget Adjustments						
Other Workload Budget Adjustments						
• Adjustment to 2006 State School Facilities Program	\$-	-\$2,647,937	-	\$-	-\$2,647,937	-
• Adjustment to 2004 State School Facilities Program	-	830,323	-	-	-609,308	-

* Dollars in thousands

6350 School Facilities Aid Program - Continued

	2008-09*			2009-10*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Adjustment to 2002 State School Facilities Program	-	1,333,289	-	-	-643,859	-
• Adjustment to 1998 and 2000 State School Facilities Program	-	11,800	-	-	-19,434	-
• Transfer to the Emergency Repair Account from the P98 Reversion Account	-	-101,000	-	-	-	-
• Technical Adjustment for Emergency Repair Account	-	41,000	-	-	-60,000	-
• Adjustment in Funding Levels for the Deferred Maintenance Program	-	919	-	-	35,895	-
• Changes in Funding provided by the General Fund for Deferred Maintenance.	-	-658	-	-	-35,473	-
• Adjust Excess Loan Repayments from General Fund for Deferred Maintenance	658	-	-	-34	-	-
• Adjust Loan Repayments to the General Fund from the School Building Aid Fund	-	-831	-	-	-831	-
• Adjust Abatement to General Fund from School Building Aid Fund	-	658	-	-	-33	-
• Adjust Abatement to General Fund from School Building Aid Fund	-658	-	-	33	-	-
• Adjustment for State Operations for DGS	-	14,253	-	-	-272	-
• Adjustment for State Operations for CDE, SCO, and DOF	-	3,706	-	-	-643	-
• Change in State Operations Costs for Deferred Maintenance Program.	-	159	-	-	-1	-
• Increase to tie to State Operations Adjustments for Deferred Maintenance	-	-	-	1	-	-
• Adjust State Operations Funding for the State Relocatable Classroom Program	-	-	-	-	-574	-
Totals, Other Workload Budget Adjustments	\$-	-\$514,319	-	\$-	-\$3,982,470	-
Totals, Workload Budget Adjustments	\$-	-\$514,319	-	\$-	-\$3,982,470	-
Totals, Budget Adjustments	\$-	-\$514,319	-	\$-	-\$3,982,470	-

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

2 LOCAL ASSISTANCE	2007-08*	2008-09*	2009-10*
0001 General Fund, Proposition 98			
APPROPRIATIONS			
Education Code Section 17080 (transfer to State School Deferred Maintenance Fund)	\$1,849	\$1,568	\$876
TOTALS, EXPENDITURES	\$1,849	\$1,568	\$876
0001 General Fund			
APPROPRIATIONS			
Education Code Sections 16096 and 16504	\$-1,982	\$-1,727	\$-1,036
Education Code Section 17080 (transfer to State School Deferred Maintenance Fund)	133	159	160
TOTALS, EXPENDITURES	\$-1,849	\$-1,568	\$-876
TOTALS, GENERAL FUND EXPENDITURES	\$-	\$-	\$-
0119 1998 State School Facilities Fund			
APPROPRIATIONS			
Prior year balances available:			
Education Code Section 100420 (a)(b) as added by Chapter 407, Statutes of 1998	\$29,540	\$31,234	\$-
Totals Available	\$29,540	\$31,234	\$-
Balance available in subsequent years	-31,234	-	-

* Dollars in thousands

6350 School Facilities Aid Program - Continued

	<u>2007-08*</u>	<u>2008-09*</u>	<u>2009-10*</u>
2 LOCAL ASSISTANCE			
TOTALS, EXPENDITURES	\$-1,694	\$31,234	\$-
0739 State School Building Aid Fund			
APPROPRIATIONS			
Education Code Section 17088(f)	\$722	\$1,631	\$1,357
Transfer to Department of General Services for State Operations	-	-	-300
Education Code Sections 16096 and 16504 (Abatement to General Fund)	<u>1,982</u>	<u>1,727</u>	<u>1,036</u>
TOTALS, EXPENDITURES	\$2,704	\$3,358	\$2,093
Loan Repayments from School Districts per Education Code Section 16080	<u>-1,176</u>	<u>-1,176</u>	<u>-1,176</u>
NET TOTALS, EXPENDITURES	\$1,528	\$2,182	\$917
0961 State School Deferred Maintenance Fund			
APPROPRIATIONS			
Prior year balances available:			
Education Code Section 17080	\$281,954	\$281,699	\$316,516
Transfer to Department of General Services for State Operations	-133	-159	-
Transfer to Department of General Services for State Operations	<u>-</u>	<u>-</u>	<u>-160</u>
TOTALS, EXPENDITURES	\$281,821	\$281,540	\$316,356
Less funding provided by the General Fund	<u>-279,364</u>	<u>-279,109</u>	<u>-313,924</u>
NET TOTALS, EXPENDITURES	\$2,457	\$2,431	\$2,432
3082 School Facilities Emergency Repair Account			
APPROPRIATIONS			
Transfer to the Proposition 98 Reversion Account per Item 6110-485, Budget Act of 2007	\$250,000	\$-	\$-
Education Code Section 17592.71	<u>174,275</u>	<u>101,000</u>	<u>0</u>
TOTALS, EXPENDITURES	\$424,275	\$101,000	\$-
Less funding provided by the General Fund	-200,000	-101,000	-
Less funding Provided by the General Fund	<u>-2,985</u>	<u>-</u>	<u>-</u>
NET TOTALS, EXPENDITURES	\$221,290	\$-	\$-
6036 2002 State School Facilities Fund			
APPROPRIATIONS			
Prior year balances available:			
Education Code Sections 100620 (a)(f) and 100625(a)	<u>\$298,094</u>	<u>\$1,977,148</u>	<u>\$-</u>
TOTALS, EXPENDITURES	\$298,094	\$1,977,148	\$-
6044 2004 State School Facilities Fund			
APPROPRIATIONS			
Prior year balances available:			
Education Code Sections 100820 (a)(f) and 100825(a)	\$1,712,079	\$1,439,631	\$-
Transfer to Department of Education for State Operations	-2,629	-	-
Transfer to Department of General Services for State Operations	-12,848	-	-
Transfer to CA School Finance Authority for State Operations	<u>-566</u>	<u>-</u>	<u>-</u>
Totals Available	\$1,696,036	\$1,439,631	\$-
Balance available in subsequent years	<u>-1,439,631</u>	<u>-</u>	<u>-</u>
TOTALS, EXPENDITURES	\$256,405	\$1,439,631	\$-
6057 2006 State School Facilities Fund			
APPROPRIATIONS			
Transfer to Department of General Services for State Operations	\$-	\$-	\$-14,525
Prior year balances available:			
Education Code Sections 101010 and 101012	7,131,639	6,061,717	5,525,711
Chapter 35, Statutes of 2006-Section 20	21,000	-	-
Transfer to Department of General Services for State Operations	-493	-14,263	-
Transfer to Various Departments for State Operations	-	-3,721	-
Transfer to CA School Finance Authority for State Operations	<u>-429</u>	<u>-</u>	<u>-</u>

* Dollars in thousands

6350 School Facilities Aid Program - Continued

2 LOCAL ASSISTANCE	2007-08*	2008-09*	2009-10*
Transfer to Various Departments for State Operations	-	-	-4,349
Totals Available	\$7,151,717	\$6,043,733	\$5,506,837
Balance available in subsequent years	-6,061,717	-5,525,711	-5,007,689
TOTALS, EXPENDITURES	\$1,090,000	\$518,022	\$499,148
TOTALS, EXPENDITURES, ALL FUNDS (Local Assistance)	\$1,868,080	\$3,970,648	\$502,497

FUND CONDITION STATEMENTS

	2007-08*	2008-09*	2009-10*
0739 State School Building Aid Fund ^N			
BEGINNING BALANCE	\$47,656	\$63,279	\$49,644
Prior year adjustments	-8,366	-	-
Adjusted Beginning Balance	\$39,290	\$63,279	\$49,644
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
213000 Property and Natural Resources (Rental of State Property, Education Code Section 17094)			
Lease	13,385	1,380	836
Sale	12,353	4,023	2,962
Transfers and Other Adjustments:			
TO0001 To General Fund transfer per Control Section 24.30, Budget Act of 2008	-	-16,559	-
Total Revenues, Transfers, and Other Adjustments	\$25,738	-\$11,156	\$3,798
Total Resources	\$65,028	\$52,123	\$53,442
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
1760 Department of General Services (State Operations)	221	297	300
6350 School Facilities Aid Program (Local Assistance)	2,704	3,358	2,093
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Loan Repayments from School Districts per Education Code Section 16080 (Local Assistance)	-1,176	-1,176	-1,176
Total Expenditures and Expenditure Adjustments	\$1,749	\$2,479	\$1,217
FUND BALANCE	\$63,279	\$49,644	\$52,225
0743 Bond Proceeds Account, State School Building Lease-Purchase Fund ^B			
BEGINNING BALANCE	\$37,441	\$37,441	\$29,941
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Transfers and Other Adjustments:			
TO6057 2006 State School Facilities Fund per Chapter 35, Statutes of 2006, Section 20	-	-7,500	-
Total Revenues, Transfers, and Other Adjustments	-	-\$7,500	-
Total Resources	\$37,441	\$29,941	\$29,941
FUND BALANCE	\$37,441	\$29,941	\$29,941
0961 State School Deferred Maintenance Fund ^N			
BEGINNING BALANCE	-	-	-
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Transfers and Other Adjustments:			
FO0956 From School Site Utilization Fund per Education Code Section 17224	\$2,590	\$2,590	\$2,592
Total Revenues, Transfers, and Other Adjustments	\$2,590	\$2,590	\$2,592
Total Resources	\$2,590	\$2,590	\$2,592
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			

* Dollars in thousands

6350 School Facilities Aid Program - Continued

	2007-08*	2008-09*	2009-10*
1760 Department of General Services (State Operations)	133	159	160
6350 School Facilities Aid Program (Local Assistance)	281,821	281,540	316,356
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Less funding provided by the General Fund (Local Assistance)	<u>-279,364</u>	<u>-279,109</u>	<u>-313,924</u>
Total Expenditures and Expenditure Adjustments	<u>\$2,590</u>	<u>\$2,590</u>	<u>\$2,592</u>
FUND BALANCE	-	-	-
3082 School Facilities Emergency Repair Account ^s			
BEGINNING BALANCE	\$309,448	\$88,158	\$88,158
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
6350 School Facilities Aid Program (Local Assistance)	424,275	101,000	-
Expenditure Adjustments:			
6350 School Facilities Aid Program			
Less funding provided by the General Fund (Local Assistance)	-200,000	-101,000	-
Less funding Provided by the General Fund (Local Assistance)	<u>-2,985</u>	<u>-</u>	<u>-</u>
Total Expenditures and Expenditure Adjustments	<u>\$221,290</u>	<u>-</u>	<u>-</u>
FUND BALANCE	\$88,158	\$88,158	\$88,158
Reserve for economic uncertainties	88,158	88,158	88,158

* Dollars in thousands